



# REPORT NO. 54 HURRICANE HARVARD AND THE DAMAGE DONE TO PUERTO RICO: HOW THE UNIVERSITY'S ENDOWMENT INVESTMENT HARMS THE ISLAND

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# HEDGE PAPERS No. 54

## HURRICANE HARVARD AND THE DAMAGE DONE TO PUERTO RICO: How the University's Endowment Investment Harms the Island

### Introduction

Four months after Hurricane Maria, nearly half of Puerto Rico is still without electricity. The poverty rate is 46 percent, and even more – 58 percent – for children.<sup>[1]</sup>

Over 80% of Puerto Rico's agricultural crop value – around \$780 million – was destroyed by the hurricane.<sup>[2]</sup> Its healthcare system, already facing austerity cuts, is in a state of crisis.<sup>[3]</sup> Damage could top \$30 billion for an island that hasn't seen economic growth for a decade.<sup>[4]</sup> All this comes on top of incessant demands for more cuts to education, pensions, and other social goods.

But despite Puerto Rico's humanitarian crisis and clear lack of financial resources, wealthy investors are still speculating on the island's debt and trying to squeeze profit out of the island. And one of the key forces behind this hurricane of financial pressure is Harvard University, the wealthiest educational institution in the world with a \$37 billion endowment.

Harvard is heavily invested in the Baupost Group, one of the biggest speculators in Puerto Rican debt with \$931 million in bonds.<sup>[5]</sup> Baupost, a Boston-based hedge fund run by billionaire Seth Klarman, bought the debt at depressed prices in the hopes of scoring higher-than-expected payouts. Along with other vulture funds, it is waging an aggressive campaign to force Puerto Rico to pay creditors – rather than pay for basic services or vital infrastructure. Even after Hurricane Maria struck the island, Klarman has rejected calls to cancel the debt.<sup>[6]</sup>

In other words, Baupost, on behalf of Harvard and other clients, is trying to get its hands on money that should be going toward a just recovery in Puerto Rico. The fact that Puerto Rico needs substantial debt relief before it can begin real economic recovery is a view held by a large number of mainstream economists and economic policymakers.<sup>[7]</sup>

Harvard has an astonishingly large amount of money – nearly \$2 billion – invested with Baupost.<sup>[8]</sup> It appears to be the university's largest outside investment and represents an unusually large percentage of the endowment, over 5%. Through its investment in Baupost, Harvard could have an interest in tens of millions of dollars in Puerto Rican debt. Additionally, as one of Baupost's biggest investors, probably its biggest, the university has significant sway over the hedge fund.

This report makes the case that Harvard should divest from Baupost unless it cancels its Puerto Rican debt holdings.

Harvard's endowment has been undergoing changes for the past year due to years of poor returns and pressure from the fossil fuel divestment movement. Divestment from Baupost would align with this strategy.

Under the new leadership of Narv Narvekar, the endowment has put existing strategies under review and disbanded some of Harvard's in-house investment teams. Baupost has been functioning a lot like one of these teams – with a massive, longstanding allocation from Harvard and poor returns in recent years – and it would make sense for the university to cut ties with the hedge fund as part of this new strategy.

Furthermore, Baupost's CEO Seth Klarman is a prominent donor to Harvard, which may have shaped the university's decision to invest with his fund and raises an apparent conflict of interest.

The endowment has also signaled that it is open to taking a more ethical direction with its investment strategies. Last April, after a lengthy campaign by divestment activists, Harvard "paused" some of its investments in the fossil fuel industry.<sup>[9]</sup>

Harvard's divestment from Baupost would set an immediate national precedent, especially for other university endowments and large institutional investors tied to Baupost, and help successfully pressure Baupost to stop profiting from Puerto Rico's pain. This, in turn, could pave the way for Puerto Rican debt relief more broadly.

This powerful gesture would show that Harvard's values are rooted in justice, not exploitation.

Harvard has a rare opportunity here to adopt a business philosophy that steers clear of destructive investments, shows the university's commitment to a just recovery in Puerto Rico, and provides a model of responsible endowment leadership for others.

**Baupost's secretive bet on Puerto Rican debt**



The Baupost Group, a Boston-based hedge fund, owns nearly \$1 billion in Puerto Rican debt – \$931 million as of January 2018.<sup>[10]</sup> The Puerto Rican debt that Baupost owns is known as COFINA debt, after the issuing agency, and is structured to be paid back from a portion of the funds gathered through sales taxes revenue in Puerto Rico – money that is badly needed for basic services and recovery on the island.

When it was first created, COFINA debt was described as “extra-constitutional” by the government of Puerto Rico, which raises questions about its legality and legitimacy.<sup>[11]</sup> Other creditors have argued that the debt is illegal and should not be repaid.<sup>[12]</sup>

As of January 2018, Baupost owns two different types of COFINA debt: \$480 million in senior bonds and \$451 million in subordinate bonds. Senior debt is prioritized and must be paid back first if bond issuers go bankrupt, while subordinate debt gets paid back later. All amounts reported here are the face value of the bonds – COFINA bonds are trading at less than 40 cents on the dollar on the secondary market, meaning that Baupost’s Puerto Rican debt holdings are currently worth less than \$400 million.

Baupost is one of the biggest Puerto Rican bondholders looking to extract profit from the island, but until fairly recently, it did so under a cloak of secrecy. Baupost began purchasing Puerto Rican debt in 2015 under the guise of ten shell companies named Decagon Holdings 1-10 LLC and did not reveal itself as the ultimate owner – even as the Decagon entities became parties to litigation. Baupost was identified as the owner of the shell companies in October 2017 as a result of joint investigative work by the Public Accountability Initiative and the *Intercept*.<sup>[13]</sup>

Seth Klarman, Baupost’s CEO, later admitted that he “hid” Baupost’s ownership of Puerto Rico debt because “the world tends to follow” and “copycat” his firm, while also saying, “I don’t like to be attacked.”<sup>[14]</sup> Baupost has increased its bond holdings by almost \$20 million since it was first exposed.

### **Baupost’s aggressive campaign against Puerto Rico**

Though this was originally a quiet bet for Baupost, it has not been an idle one. Following the vulture fund playbook, Baupost – as Decagon Holdings – joined with

other hedge fund investors in COFINA bonds to form the COFINA Seniors Coalition. The coalition is waging an expensive, aggressive campaign to extract as much profit from Puerto Rico as possible, fight off the claims of other creditors, and ensure that its members' profits are a priority.

Until recently, Baupost held more in COFINA bonds than any other member of the coalition, despite keeping its identity out of court filings and press reports. As of a January 2018 filing, another hedge fund, Goldentree, reported more than \$1 billion in COFINA bonds.<sup>[15]</sup>

The coalition assembled a team of high-powered lawyers, lobbyists, and public relations specialists to advocate for its interests. It hired powerhouse law firm Quinn Emanuel to make its case in court and with lawmakers. Lead attorney Susheel Kirpalani even testified to Congress regarding the proposed PROMESA legislation in April 2016, endorsing it on behalf of the COFINA bondholders.<sup>[16]</sup>

Alongside its powerful legal team, the coalition hired revolving door lobbyists to help it extract profit from Puerto Rico. In 2017, it paid \$160,000 to Cypress Advocacy to lobby on its behalf.<sup>[17]</sup> Cypress lobbied the Senate, House, and Treasury Department on the issue of "Puerto Rico economic crisis," presumably in order to shape the PROMESA legislation to ensure that it would maintain a path to profit for COFINA bondholders.<sup>[18]</sup> Cypress deployed eight lobbyists, including former officials who dealt with banking and finance:

- William "King" Mueller, former Deputy Assistant Secretary for Banking & Finance in the Treasury Department's Office of Legislative Affairs
- Jeb Mason, Deputy Assistant Secretary of the Treasury and Policy Advisor to Secretary Henry M. Paulson
- Brant Imperatore, former Counsel for the House Subcommittee on Capital Markets, Insurance and GSE's

In April 2016, the COFINA Seniors Coalition added another revolving door heavy hitter to its legal team by hiring Judd Gregg, the former Senator from New Hampshire and former chairman of the Senate Budget Committee.<sup>[19]</sup>

In addition to lawyers and lobbyists, Baupost and the COFINA Seniors Coalition also hired Edelman, a high-profile communications firm, in an effort to shape the narrative surrounding Puerto Rico's debt in their favor.<sup>[20]</sup>

Baupost CEO Seth Klarman is also a major Republican donor, which may have played a role in shaping PROMESA legislation in favor of his and other COFINA bondholders' interests. As *Politico's* Marc Caputo and the *Intercept's* David Dayen have reported, Klarman gave nearly \$3 million during the 2016 cycle, much of it to Congressional Republicans like Paul Ryan and Marco Rubio.<sup>[21]</sup>

The COFINA Seniors Coalition did not change course even after Hurricane Maria struck the island. The hedge funds issued a statement of support for the island, sending "heartfelt thoughts and prayers" and donating to the Puerto Rico chapter of the American Red Cross. They did not announce any plans to reexamine their investment strategy or cancel the debt.<sup>[22]</sup>

Several weeks later, after Baupost was first publicly identified as a major COFINA bondholder, Baupost CEO Seth Klarman defended the investment in correspondence with his clients. He called on Puerto Rico to repay its debt, arguing that such payments (which, if paid, will ultimately go largely to wealthy bondholders like him) would be better for Puerto Ricans in the long run than a cancellation of debt.<sup>[23]</sup>

### **Harvard's massive investment in Baupost Group – and its endowment troubles**

Large hedge funds like Baupost work on behalf of their clients – and with nearly \$2 billion of its endowment invested in the Baupost Group, Harvard University is likely the hedge fund's biggest client. This means that when Puerto Rico suffers, Harvard University profits.

Harvard is invested in Baupost through a fund named HB Institutional LP, which Baupost manages.<sup>[24]</sup> Harvard reported \$1,960,385,684 invested in the fund in its most tax return, for the year ending June 30, 2016.<sup>[25]</sup>

If Harvard's share of Baupost's Puerto Rico bond holdings is similar to its share of the hedge fund's assets, it has an interest in an estimated \$60 million in Puerto Rican debt.

Harvard has a huge endowment – \$37.1 billion as of September 2017, the largest in the world by more than \$10 billion.<sup>[27]</sup> The endowment has seen years of disappointing returns. In 2016 it shrank by 2% while Yale’s endowment grew 3.4%; while it gained 8.1% in 2017, this came in behind other endowments.

In December 2016, the Harvard Management Co. began to clean house. It hired Narv Narvekar, who had until then managed Columbia University’s \$9 billion endowment.<sup>[28]</sup> Narvekar cut the company’s staff by half and implemented a five-year plan to transfer the endowment investments from a hybrid of in-house and external investment management to outsourcing almost everything to external managers.<sup>[29]</sup>

Narvekar should reconsider Harvard’s longstanding investment in Baupost as part of this shake-up, for two key reasons:

- **1) Lackluster returns.** In recent years, Baupost has produced poor returns. It generated a high single-digit return in 2016 but lagged the S&P 500’s 12% return that year;<sup>[30]</sup> through October 2017 it was up only 3%,<sup>[31]</sup> far behind the S&P 500, which was up over 10% on the year at that time.
- **2) Unusually large allocation.** Harvard’s \$2 billion investment in Baupost represents an unusually large 5% of the endowment.<sup>[32]</sup> None of the endowment’s other outside investments appear to come close in size, according to the university’s most recent tax return. Such a large allocation to one hedge fund is potentially imprudent given the known risks associated with hedge funds. Their lack of disclosure and transparency with respect to fees, performance, and investment strategies compounds this risk.

These findings raise a clear question: why is Harvard’s endowment so committed to investing in Baupost? With its large allocation and poor returns, the hedge fund appears to be functioning much like one of the internal teams that Narvekar has been disbanding.

Furthermore, Baupost CEO Seth Klarman serves as a top donor to Harvard, as we show below – a fact that may have shaped the university’s decision to invest with his fund,



and certainly points to an apparent conflict of interest.

Klarman's large donations to Harvard are likely far outstripped by the fees Harvard has paid him over the years.<sup>[33]</sup> The annual management fee on a \$2 billion investment, alone, could be \$20-\$40 million (1-2% of assets, depending on the fee structure of the fund), and that's before performance fees are added to the mix.

For economic and moral reasons, Harvard should rethink its relationship with Baupost and use its financial leverage over Baupost to try to help Puerto Rico. Harvard should compel Baupost to forgive the Puerto Rico debt it owns, and divest from Baupost if it refuses.

Harvard has promoted aid efforts for Puerto Rico within its community, but these pale in comparison to the university's actual position to provide relief through divestment.<sup>[34]</sup> This move would show that Harvard's values are rooted in justice for Puerto Rico, not exploitation and profit.

### **Other major universities are heavily invested in the Baupost Group**

Harvard is not the only major university heavily invested in the Baupost Group. In fact, the hedge fund's client base appears to be composed primarily of university and foundation endowments, many of which have charitable missions that appear to be in conflict with Baupost's investment strategy in Puerto Rico.

Aside from Harvard, major endowment investors with Baupost include Yale and Princeton, which have a combined \$1.7 billion invested with Baupost. As of June 2016, Yale had \$740 million invested with Baupost through the "YB Institutional Limited Partnership."<sup>[35]</sup> As of June 2016, Princeton had \$1.03 billion invested with Baupost through "PB Institutional Limited Partnership."<sup>[36]</sup>

Other university investors in Baupost appear to include Cornell, Barnard, Berklee College of Music, Brandeis, Clark University, Denison University, Holy Cross, Pomona, the University of Chicago.<sup>[37]</sup>

Though a review of foundation investors is outside the scope of this report, many foundations are also heavily invested with the Baupost Group. For example, the Boston Foundation invests with Baupost and a former Baupost executive and current advisor, Paul Gannon, is on the Boston Foundation board. Gannon also chairs the foundation's development committee, raising conflict of interest questions.<sup>[38]</sup> While the foundation profits by extracting money from Puerto Rico, it simultaneously oversees Massachusetts United for Puerto Rico Relief, a hurricane recovery fund.<sup>[39]</sup>

Further research and reporting is needed to map relationships between foundations like the Boston Foundation and the Baupost Group.

### **Seth Klarman, right-wing billionaire donor**

Baupost Group CEO Seth Klarman is worth around \$1.5 billion.<sup>[40]</sup> He is the 38th richest hedge fund manager in the world.<sup>[41]</sup> Baupost Group manages around \$31 billion in assets.

Klarman has grown his influence by donating money to right-wing organizations and causes, including prominent Republican PACs and education privatization campaigns. He is also a major Harvard donor.

Klarman is a trustee at the American Enterprise Institute (AEI), a highly influential conservative think tank. AEI has published articles calling for the privatization of PREPA – Puerto Rico's state-owned power company – and the slashing of the minimum wage and social assistance. It is also an associate member of the State Policy Network, which is funded by the Koch brothers. AEI has a long record of trafficking in climate change denial.<sup>[42]</sup>

Klarman has donated huge amounts of money to a range of right-wing political causes, including millions of dollars in donations to conservative super PACs like American Crossroads, Conservative Solutions PAC, American Unity, and ESAFund.<sup>[43]</sup> As noted above, in the 2016 cycle he gave nearly \$3 million, largely to Republican causes and politicians, including several, such as Paul Ryan and Marco Rubio, who played a

prominent role in shaping PROMESA legislation that provided a path to profit for COFINA bondholders like Baupost.

Klarman is also a big donor to the billionaire-led charter school movement. He was the largest donor to Families for Excellent Schools, which spearheaded a recent failed effort to expand charter schools in Massachusetts. In 2017, the group was fined a record \$426,466 for hiding the identities of its donors.<sup>[44]</sup> Klarman's fellow major donors included billionaires Alice Walton and Amos Hostetter Jr.

Under Klarman, Baupost invests big in fossil fuels and fracking. As of November 2017, the hedge fund was the second-largest shareholder in Cheniere Energy, a liquefied natural gas (LNG) export firm, with an 8.7% stake. It also owns a \$457.5 million stake in oil and gas fracking firm Antero Resources – around 6.7% of the company's shares.<sup>[45]</sup> Baupost is also the largest beneficial owner of PBF Energy, a fossil fuel refining company, with a 14% stake in the company.<sup>[46]</sup>

Klarman is a major donor to Harvard, which wields tremendous influence in shaping public policy at all levels of government. In 2012, Klarman gave \$32.5 million to the Eli and Edythe L. Broad Institute of Harvard and MIT to build the Klarman Cell Observatory.<sup>[47]</sup> In 2014, Klarman made a naming gift to Harvard for Klarman Hall, which is current being constructed at the Harvard Business School and is set to open in the Fall of 2018. Both Seth Klarman and his spouse Beth Klarman were members of the Harvard Business School's Board of Dean's Advisors.<sup>[48]</sup>

## Conclusion

Puerto Rico has suffered through crisis, austerity, and the devastation wrought by Hurricane Maria. Even Seth Klarman, behind closed doors, seems to understand the inhumanity of extracting debt payments from the island at this moment. "People have died," Klarman admitted in a recording, "and protesters are very angry that the island is in debt at all. It's got to be incredibly frustrating. Your friends and family are in a life-or-death situation, and there's financial pressure on top of that."

Luckily, Harvard has a golden opportunity to extend assistance to Puerto Rico amidst this “life-or-death situation.” With close to \$2 billion invested with Baupost – about a billion more than Baupost owns in Puerto Rico debt in total – Harvard can use its leverage and prestige to push for cancellation of some of Puerto Rico’s debt and use the threat of divestment from Baupost to help chart a better course for the island.

<sup>[1]</sup> <https://www.nytimes.com/2017/08/17/opinion/puerto-rico-economy-austerity.html>

<sup>[2]</sup> <https://www.cnbc.com/2017/09/25/hurricane-maria-wiped-away-about-80-percent-of-puerto-ricos-farming-industry.html>

<sup>[3]</sup> <https://www.nytimes.com/2017/10/10/us/puerto-rico-power-hospitals.html>

<sup>[4]</sup> <http://www.businessinsider.com/r-puerto-ricos-fragile-economy-dealt-new-blow-by-maria-2017-9>

<sup>[5]</sup> From verified statement filed 1/16/2018 by the Senior COFINA bondholders’ coalition, Decagon entities own \$930,929,019 in total:

<https://cases.primeclerk.com/puertorico/Home-DownloadPDF?id1=NzE1ODI5&id2=0>

<sup>[6]</sup> <https://www.cnbc.com/2017/10/20/hedge-fund-billionaire-klarman-says-puerto-rico-should-pay-its-debts.html>

<sup>[7]</sup> See <http://recovery4pr.org> for a January 2018 letter from a number of economists and economic policymakers who call on Congress to pass debt relief for Puerto Rico.

<sup>[8]</sup> This amount was found on Harvard’s most recent 990 – a \$1.96 billion investment in HB Institutional LP, a Baupost fund. See the below section on Harvard’s investment in Baupost for more details on sources.

<sup>[9]</sup> <https://www.theguardian.com/environment/2017/apr/27/harvard-university-pausing-investments-in-some-fossil-fuels>

<sup>[10]</sup> From verified statement filed 1/16/2018 by the Senior COFINA bondholders’ coalition, Decagon entities own \$930,929,019 in total:

<https://cases.primeclerk.com/puertorico/Home-DownloadPDF?id1=NzE1ODI5&id2=0>

<sup>[11]</sup> <http://inthesetimes.com/article/19257/puerto-rico-cant-and-shouldnt-pay-its-debt-just-to-enrich-wall-street-profit>

<sup>[12]</sup> <http://www.institutionalinvestorsalpha.com/Article/3770666/Hedge-Funds-and-the-Hurricane.html?ArticleId=3770666>

<sup>[13]</sup> <https://theintercept.com/2017/10/03/we-can-finally-identify-one-of-the-largest-holders-of-puerto-rican-debt/>

<sup>[14]</sup> <http://www.institutionalinvestorsalpha.com/Article/3770666/Hedge-Funds-and-the-Hurricane.html?ArticleId=3770666>

[15] From verified statement filed 1/16/2018 by the Senior COFINA bondholders' coalition: <https://cases.primeclerk.com/puertorico/Home-DownloadPDF?id1=NzE1ODI5&id2=0>

<sup>[16]</sup> [http://democrats-naturalresources.house.gov/imo/media/doc/testimony\\_mr.\\_kirpalani.pdf](http://democrats-naturalresources.house.gov/imo/media/doc/testimony_mr._kirpalani.pdf)

<sup>[17]</sup> [http://www.opensecrets.org/lobby/client\\_reports.php?id=F111888&year=2017](http://www.opensecrets.org/lobby/client_reports.php?id=F111888&year=2017)

<sup>[18]</sup> <https://soprweb.senate.gov/index.cfm?event=getFilingDetails&filingID=7C743A02-D8EC-497E-A527-2EDE6A9C46B5&filingTypeID=64>

<sup>[19]</sup> <https://www.prnewswire.com/news-releases/cofina-senior-bondholders-group-appoints-senator-judd-gregg-as-senior-advisor-and-reaffirms-support-for-legislative-action-300252165.html>

<sup>[20]</sup> <https://www.prnewswire.com/news-releases/cofina-seniors-coalition-intends-to-disprove-go-ad-hoc-groups-meritless-self-serving-claims-300411590.html>

[21] <https://theintercept.com/2017/10/03/we-can-finally-identify-one-of-the-largest-holders-of-puerto-rican-debt/>

<sup>[22]</sup> <https://www.prnewswire.com/news-releases/cofina-seniors-coalition-issues-statement-of-support-for-puerto-rico-in-the-wake-of-hurricanes-irma-and-maria->



300526993.html

<sup>[23]</sup> <https://www.reuters.com/article/us-hedgefunds-baupost-group-puertorico-e/exclusive-bauposts-klarman-resists-calls-to-wipe-out-puerto-rico-debt-idUSKBN1CN3AC>

[24] See Baupost Form ADV for info on Baupost as general partner/manager of HB Institutional LP:

[https://www.adviserinfo.sec.gov/IAPD/content/viewform/adv/Sections/iapd\\_AdvPrivateFundReportingSection.aspx?ORG\\_PK=109530&FLNG\\_PK=019C62BE0008019600C8802100F74D99056C8CC0](https://www.adviserinfo.sec.gov/IAPD/content/viewform/adv/Sections/iapd_AdvPrivateFundReportingSection.aspx?ORG_PK=109530&FLNG_PK=019C62BE0008019600C8802100F74D99056C8CC0)

[25] See page 232 of Harvard 990 for tax year ending June 30, 2016 for information on investment in HB Institutional LP:

<http://www.guidestar.org/FinDocuments/2016/042/103/2016-042103580-0e2b6247-9.pdf>

<sup>[26]</sup> This amount represents the face value of the debt, and was estimated by dividing Harvard's total Baupost investment, \$1.96 billion, by Baupost's total assets under management, \$31 billion, and multiplying Baupost's \$931 million in COFINA bonds by that percentage.

[27] <https://harvardmagazine.com/2017/09/harvard-endowment-37-1-billion-on-8-1-percent-return>

[28] <https://www.bostonglobe.com/business/2016/09/29/harvard-hires-new-endowment-chief/BAOnLLOh3craakscDa8fjO/story.html>

<sup>[29]</sup> <https://www.institutionalinvestor.com/article/b157q2h742ggf8/harvard-endowments-rebirth>

<sup>[30]</sup> <https://www.cnbc.com/2017/02/08/bauposts-klarman-proud-of-funds-high-single-digit-return-last-year.html>

<sup>[31]</sup> <http://www.businessinsider.com/bauposts-seth-klarman-on-investors-asking-wrong-question-about-market-2017-10>

<sup>[32]</sup> Harvard's \$1.96 billion investment with Baupost represents 5.2% of the \$37.1 billion endowment Harvard reported in fall 2017:

<https://harvardmagazine.com/2017/09/harvard-endowment-37-1-billion-on-8-1-percent-return>

<sup>[33]</sup> We have been unable to verify the amounts donated.

<sup>[34]</sup> <https://www.harvard.edu/2017-disaster-relief-efforts>;

<https://www.hsph.harvard.edu/social-and-behavioral-sciences/2017/10/17/puerto-rico-relief/>

<sup>[35]</sup> See Yale 990 for year ending June 30, 2016, \$740,145,645 invested in YB Institutional LP on page 234: <http://www.guidestar.org/FinDocuments/2016/060/646/2016-060646973-0e14f833-9.pdf>

See Baupost Form ADV for information on YB Institutional LP and PB Institutional LP:

[https://www.adviserinfo.sec.gov/IAPD/content/viewform/adv/Sections/iapd\\_AdvPrivateFundReportingSection.aspx?](https://www.adviserinfo.sec.gov/IAPD/content/viewform/adv/Sections/iapd_AdvPrivateFundReportingSection.aspx?)

ORG\_PK=109530&FLNG\_PK=019C62BE0008019600C8802100F74D99056C8CC0

<sup>[36]</sup> See Princeton 990 for year ending June 30, 2016, \$1,033,592,661 invested in PB Institutional LP on page 106:

<http://www.guidestar.org/FinDocuments/2016/210/634/2016-210634501-0e25e4cb-9.pdf>

<sup>[37]</sup> These relationships are disclosed in 990-Ts for these universities within the last five years, though it is difficult to verify whether they are still current.

<sup>[38]</sup> <https://www.tbf.org/who-we-are/people/board-of-directors/board/gannon>

<sup>[39]</sup> <https://www.tbf.org/puertorico>

<sup>[40]</sup> <https://www.forbes.com/profile/seth-klarman/>

<sup>[41]</sup> <https://www.forbes.com/pictures/mdg45ekigd/38-seth-klarman/#1e0358682e23>

<sup>[42]</sup> <http://www.greenpeace.org/usa/global-warming/climate-deniers/front-groups/american-enterprise-institute-aei/>

<sup>[43]</sup> [http://classic.fec.gov/finance/disclosure/disclosure\\_data\\_search.shtml](http://classic.fec.gov/finance/disclosure/disclosure_data_search.shtml)

<sup>[44]</sup> <https://www.bostonglobe.com/metro/2017/09/11/pro-charter-school-group-pays-state-largest-campaign-finance-penalty/uQlWnaSnOC6CeHma74cPqN/story.html>

<sup>[45]</sup>

[https://www.sec.gov/Archives/edgar/data/1061768/000114036117031385/xslForm13F\\_X01/form13fInfoTable.xml](https://www.sec.gov/Archives/edgar/data/1061768/000114036117031385/xslForm13F_X01/form13fInfoTable.xml)

<sup>[46]</sup> <https://news.littlesis.org/2017/11/06/debt-vultures-behind-puerto-rico-austerity-are-also-fueling-climate-change/>

<sup>[47]</sup> <http://news.harvard.edu/gazette/story/2012/01/broad-institute-awarded-32-5m-grant/>

<sup>[48]</sup> <https://www.hbs.edu/news/releases/Pages/klarman-hall-groundbreaking.aspx>

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## CATEGORIES:

HedgePapers, Privatization, Puerto Rico, Seth Klarman